



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
**5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004**

O. P. No. 80 of 2015

Dated: 11.01.2016

**Present**

Sri. Ismail Ali Khan, Chairman  
Sri. H. Srinivasulu, Member  
Sri. L. Manohar Reddy, Member

Between

M/s. Singareni Collieries Company Limited  
#11-4-660, Singareni Bhavan, Red Hills,  
Hyderabad – 500004.

.... Petitioner

**AND**

Northern Power Distribution Company of Telangana State Limited  
H.No. 2-5-31/2, Corporate Office,  
Vidyut Bhavan, Nakkalgutta, Warangal – 506001

.... Respondent

This petition coming up for hearing on 23.12.2015 in the presence of Sri. V. Vijender, General Manager (E & M) for the petitioner and Sri. Y. Rama Rao, Counsel for Respondents along with Sri. P. Venkatesh, Advocate for the respondent and having stood over for consideration to this day, the Commission passed the following:

**ORDER**

By order dated 19.03.2015, the Commission had granted temporary exemption to the applicant till application for exemption is finally heard and disposed of by the Commission. The period fixed for such temporary exemption was upto 30.09.2015. The relevant portion of the order is extracted below for better understanding.

“8. Considering the submissions and discussion stated above, the Commission is of the preliminary view that the present application of the petitioner is liable to be rejected as it would not satisfy the conditions mentioned in Electricity Act, 2003, however, as the parties have not advanced submissions straightaway, the Commission has left this question open and would hear the

parties in detail at later date. In the meanwhile the parties are directed to identify as to the services which are beyond mining operation and located within the colony consumption area, including the feasibility of laying lines by the licensee. They are also required to suggest before 24<sup>th</sup> of this month the modalities of billing consumers who are outside the mining activity and would fall within the colony consumption.

9. Pending disposal of the main case, the Commission is of the preliminary view that interest of justice would be served as well as public interest would not be jeopardized if present exemption is continued for the further period of six months. Accordingly, the exemption from license granted to the petitioner as stated above, is extended for a further period of six months from 01.04.2015 upto 30.09.2015 in public interest.”

2. By letter dated 04.09.2015 the Commission directed the parties to the case to file a report on the status of action taken pursuant to the above directions. In its letter dated 15.09.2015 the petitioner stated as follows:

“Reference to the above, I would like to inform that in compliance of the direction given in the order cited under reference 1 above, joint inspection was conducted by SCCL along with TSNPDCL officials in all areas of SCCL to check the feasibility of handing over all private consumer connections to M/s TSNPDCL.

Based on the inspection, M/s TSNPDCL have already prepared a feasibility report to take over the private consumer connections along with price estimation.

Further, it was informed by TSNPDCL officials that the proposals is under circulation for the approval of competent authority. On receipt of intimation from M/s TSNPDCL, SCCL will initiate necessary action.”

3. Having perused the reply of the petitioner and there being no report from the respondent, the matter was posted for hearing. On the date of hearing the parties have made the following submissions.

4. The representative of the petitioner stated that the respondent (TSNPDCL) has demanded indemnifying individual services by the petitioner. It is further stated that the demand of the respondent to indemnify such of the individual services is not agreeable to the petitioner. They may be directed to take over all the services as is required under the directions of the Commission. He has also stated that approximately 80% of the total power connections provided by the petitioner can be

taken over easily. There are some services which are located inside the colony area and supply provided to these services belongs to other than singareni employees. In respect of such services, the respondent is not coming forward to take over them. The respondent may be directed to take over these services also.

5. Reacting to the submissions of the representative of the petitioner, the respondent has pointed out that the connections being transferred by the petitioner need to be indemnified by the petitioner as the same are originally given by the petitioner and these services are existing in the area of the mining operation of the petitioner. The respondent further stated that for taking over these services, to be indemnified by the petitioner, new 11KV lines and new DTRs and linking LT lines have to be laid for which an amount of Rs. 5 crores (approx.) is required and the petitioner may be directed to pay the said amount to the respondent and also pass necessary directions to hand over the existing lines on free of cost through which the supply is fed to the above services. The respondent has also stated that there are some works under execution by the petitioner, relating to the above service connections. The works also need to be completed by the petitioner and the same should be handed over to the respondent free of cost. The respondent further stated that considerable time is required to lay lines and take over services that is upto end of May 2016.

6. In response to the above, the representative of the petitioner has stated that it is agreeing to hand over the existing infrastructure free of cost (lines, etc), but is not agreeable to pay Rs. 5 crores as demanded by the respondent. It is further the contention of the representative of petitioner that the services which are identified are not in the mining area of operation or leased land of petitioner. There is no need for indemnifying by the petitioner.

7. Heard, the representative of the petitioner and the counsel for the respondent. We have also given our consideration to the submissions made and also examined the compliance of the order passed on 19.03.2015 to a substantive extent, with which the Commission is satisfied. The direction was that it required to transfer the power supply business, not connected with the main activity of mining of operation, to the distribution licensee i.e, TSNPDCL and is now seeking to complete the process by handing over all the connections to the licensee with which it has no relation to the petitioner's operation.

8. The commission has come to know during the hearing of the petitioner and respondent that there are three types of service connections existing in the petitioner's area. They are:

- (i) 80% of the service connections located outside the mining area and are not in the lands of Singareni.
- (ii) Service connections located inside the singareni colony area and extended power supply to outsiders (other than its employees) but are essential in running the business of singareni or welfare of its employees;
- (iii) services located inside the colony and power supply given to private persons, not connected with the operation of mining for the purpose of business of singareni, that is operation of mining.

**I 80% of the service connections located outside the mining area and not in the lands of Singareni.**

9. Regarding the question raised on indemnifying the individual service connections by the petitioner which are outside the mining area or leased load of the petitioner, the Commission observes that as long as the area in which services are existing, does not belong to the singareni and / or not is a leased land, there is no necessity for the petitioner to indemnify the same.

10. The petitioner is ordered to handover the services along with security deposit of individuals to the respondent. The respondent is directed to take over the service duly following the procedure prescribed in the General Terms & Conditions of Supply notified by the Commission.

11. The petitioner is hereby ordered to handover the existing infrastructure (connected) along with the handing over of the service connections on free of cost. It is also ordered to complete all the pending works which are under progress, if any, pertaining to above service connections and handover the same on free of cost to the respondent. These pending works shall be completed by the end of February 2016. There will not be any extension of the time on this aspect.

12. Regarding paying of amount of Rs. 5 crores for laying lines (infrastructure) to take over the service connections which are not in the mining area operation or in the leased line of petitioner, it is not proper on part of the licensee to demand that the petitioner pay such amount for taking over such services. On the other hand, the respondent can claim the actual expenditure incurred, as a part of ARR of the Retail Supply Business in the subsequent year.

13. The respondent is directed to take over the service connections after completing the work, area wise, as indicated below in a phased manner:

Bellampalli & Mandamarri (Adilabad Dist)	To be completed in February 2016
Ramagundam (Karimnagar Dist)	March 2016
Kothagudem (Khammam Dist) & Yellandu in Singareni	April 2016
Any leftover area not specified other than the above may be completed by 15.05.2016.	

**II. Service connections located inside the singareni colony area where it extended power supply to outsiders (other than its employees), but they being essential in running the business of singareni or for welfare of its employees;**

14. Regarding the service connections which are located inside the petitioner area and where power supply has been extended to outsiders, but are essential in running the business of petitioner or for the welfare of its employees, such service connections can be retained by the petitioner and tariff can be collected, not exceeding the Commission determined tariff as applicable to such services.

**III. Services located inside the colony and power supply given to private persons, not connected with the operation of mining by the petitioner.**

15. The services located inside the colony and power supply given to private persons not connected with the operation of mining business of the petitioner, the respondent is directed to come up with a plan to take over such services by end of February 2016 along with details of expenditure to be incurred with specific data for completion as it may involve laying lines in parallel with the existing petitioner's lines.

16. Considering the above request made by the respondent and time sought by the respondent to take over the services and in order to continue the supply to the existing above services so as to avoid inconvenience to the existing consumers, the Commission hereby grants the exemption from having supply licence in favour of the petitioner upto 31.05.2016. Further, the petitioner and the respondent should place before the Commission, the latest developments in the month of April, so that the Commission can take further decision in the matter including on the issue of any leftover services.

17. This order is passed as an interim measure only.

This order is corrected and signed on this 11<sup>th</sup> day of January' 2016

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>(L MANOHAR REDDY)</b>	<b>(H SRINIVASULU)</b>	<b>(ISMAIL ALI KHAN)</b>
<b>MEMBER</b>	<b>MEMBER</b>	<b>CHAIRMAN</b>

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